

The Madison Community Foundation (“the Foundation”) uses its local knowledge to enhance the common good through philanthropy. This requires an active effort on the part of the Foundation’s governing board and staff to promote the programs and opportunities offered by the Foundation and to respond promptly and appropriately to the needs and circumstances of donors and prospective donors to the Foundation.

The Foundation has multiple fund options to help donors meet their philanthropic goals including donor advised funds. Donors generally establish donor advised funds at the Foundation for unrestricted charitable purposes. The donor or other named fund advisor may make recommendations to the Foundation regarding the qualified charitable organizations, grant values and timing for grant distributions from the Fund. The Foundation retains final authority to approve all distributions.

Every contribution to a donor advised fund is an irrevocable charitable contribution that is legally owned by Madison Community Foundation. These funds are institutional funds of the Foundation, not a personal savings account of the donor, and may only be used for charitable purposes which do not confer any private benefit on the donor or any other person. The Foundation monitors fund activity to ensure funds maintain a minimum level of activity and do not confer any private benefit. If this policy ever conflicts with federal or state law, the relevant law controls.

Acceptable Forms of Fund Activity

Generally, a donor advised fund is considered active when there is regular communication between the Fund Advisor and Madison Community Foundation regarding the existence and purpose of that fund. Examples of some of the activities that would deem a Fund active include (but are not limited to):

Regular Grant Recommendations – The Fund Advisor generally recommends grants annually to qualified charitable organizations. The amount of grantmaking may vary from year to year.

Giving Plan – The Fund Advisor defers recommending grants while working with Foundation staff to develop a Giving Plan to meet their specific philanthropic goals. Giving Plans may be short-term (in the case of special project grants) or long-term (in the case of growing an endowment fund balance to increase the annual available spending plan amount). Some examples of Giving Plans include:

- **Future Giving Plan** – The Fund Advisor prioritizes building the fund balance to ensure grantmaking during their retirement and/or when their income may change.
- **Next Generation Giving Plan** - The Fund Advisor prioritizes building the fund balance to leave a charitable legacy for the next generation to advise.
- **Special Project Giving Plan** – The Fund Advisor defers recommending grants for a period of time in order to make a larger grant or series of grants for a specific project.

Addressing Inactivity & Activating Grantmaking

The Foundation will review donor advised funds on an annual basis to ensure compliance with the Fund Activity policy and identify inactive Funds. In the absence of such activities/understandings as described above, if there is no grant recommendation for three successive years, steps will be taken by Foundation staff to reactivate the Fund. These steps may include, but are not limited to, outreach to the Fund Advisor regularly and periodically (for example, three attempts over a 12 month period) to encourage the Fund Advisor to activate the Fund.

In cases where the Fund has remained inactive for four years and Foundation staff has been unable to connect with the Fund Advisor, the Foundation will have the option to initiate a minimum grant award (\$200 or the current minimum grant award) from the Fund to qualified charitable organizations while Foundation staff continue to attempt contact with the Fund Advisor for another 12 months.

In cases where the Fund has remained inactive for five years and Foundation staff has been unable to connect with the Fund Advisor, the Foundation will have the option to consider the Fund to be abandoned and treat it as an undesignated gift. The Foundation Board may exercise its variance power to direct these resources to meet the needs of the community (taking into account the original intentions of the donor, if expressed) by converting the Fund and directing grants to qualified charitable organizations.

Accepted and approved with a majority vote of the Governors
present at its meeting on February 19, 2020.